

PRESQUE ISLE ELECTRIC & GAS CO-OP
ANNUAL MEETING MINUTES
October 28, 2011

I. CALL TO ORDER

The 74th Annual Meeting of the member of Presque Isle Electric & Gas Co-op was called to order by Chairman Allen Barr at 10:00 A.M. on October 28, 2011 in Posen, Michigan. The Posen VFW Post #7804 presented the Colors and gave the Invocation. The members joined in the singing of the National Anthem.

II. INTRODUCTIONS

The Chairman made numerous introductions, including the Board of Directors. Following several remarks, CEO Burns presided over the meeting.

III. NOTICE OF MEETING

It was moved, supported, and carried to dispense with the Reading of the Notice of Meeting which was published in *Country Lines* magazine.

IV. MINUTES OF LAST MEETING

It was moved, supported, and carried to dispense with the Reading of the Minutes which were distributed with the information packet upon registering for the meeting.

It was moved, supported, and carried to approve the Minutes of the 2010 Annual Meeting as presented.

V. NOMINATIONS OF DIRECTOR

CEO Burns reviewed the three methods by which nominations can be made according to Article III, Section 3 of the bylaws. Mr. Elias Taratuta, chairman of the Nominating Committee, presented the following nominations:

| | |
|-------------------------------|--|
| Cheboygan District: | Elizabeth Apking, John Brown |
| Montmorency District: | Earl Elowsky, David Smith |
| Presque Isle District: | Allan Berg, Edward Teckman, Wayne Vermilya |

It was reported that no petitions were received at the cooperative. Next, CEO Burns called three times for nominations from the floor. There being none, it was moved, supported, and carried to close the nominations.

VI. INTRODUCTION OF CANDIDATES

Candidates were offered and each accepted the opportunity to address the membership.

Attorney Werth indicated 30,433 ballots were mailed and the bylaws require 1% or 305 members be present to constitute a quorum. After registration was declared closed, the number of registered members was 233, which did not constitute a quorum.

Members voiced their concern over not having a quorum present and offered suggestions to increase attendance.

VII. AUDIT REPORT

CEO Burns introduced Mr. Ron Harris, CPA and owner of The Harris Group in Traverse City. Mr. Harris indicated that the 2010 audit was performed in accordance with generally accepted accounting principles and was a "clean" audit without exceptions. Mr. Harris highlighted certain revenue and expense items after which he called for questions, and there were none.

VIII. PRESIDENT’S REPORT

CEO Burns highlighted certain action which occurred during the past year which include competitive rates, the cooperative business model, and the relationship with Wolverine Power Cooperative.

IX. WOLVERINE POWER COOPERATIVE UPDATE

Mr. Eric Baker, CEO of Wolverine Power, was introduced and spoke about their transmission system and associated maintenance of same, the need for reliable and cost effective future power supply, and an update on the Clean Energy Venture in Rogers City.

At this point in the meeting, the chair appointed Attorney Werth to conduct the business portion of the meeting.

X. UNFINISHED BUSINESS

Attorney Werth asked if there was any Unfinished Business. There being none, he continued with the agenda.

XI. NEW BUSINESS

Without a quorum present, Attorney Werth indicated new business could not officially be addressed, but offered the membership the opportunity to address the board with their concerns. Attorney Werth called for any New Business and hearing none moved to the next agenda item.

XII. QUESTIONS & ANSWERS

A total of fifteen minutes was suggested for this portion of the agenda. At the end of that time frame, the membership could decide if more time is warranted. Members asked questions or made comments concerning the following: presented petitions to request Wolverine to cancel plans for a coal plant and support cheaper, clean energy options; to purchase gifts that are made in America, to request Wolverine to provide an annual progress report, and voiced concern over mercury emissions. There being no further questions, this portion of the meeting was closed.

Attorney Werth returned the meeting to the Chairman.

XIII. LEGISLATIVE UPDATE

CEO Burns introduced Mr. Peter Petallia from the 106th District. Representative Petallia provided a legislative update on current issues and addressed several questions from the audience.

XIV. ELECTION RESULTS

Elections & Credentials Chairperson, Mrs. Doris Smith, appeared before the members to announce the election results as follows:

| | | |
|-------------------------------|------------------|------|
| Cheboygan District: | Elizabeth Apking | 482 |
| | John Brown | 1283 |
| Montmorency District: | Earl Elowsky | 656 |
| | David Smith | 1137 |
| Presque Isle District: | Allan Berg | 1182 |
| | Edward Teckman | 378 |
| | Wayne Vermilya | 480 |

Chairperson Smith indicated the Elections & Credentials Committee had certified John Brown, David Smith, and Allan Berg as directors for Presque Isle Electric & Gas Co-op for a three year term.

XV. RAFFLE WINNER & DOOR PRIZES

CFO Sobeck announced that all members who voted by mail were entered into a drawing for a \$100 EnerGift certificate. The winner was Mr. Richard Podgorski of Lewiston, Michigan.

Door prize winners were announced and gifts could be picked up after lunch.

XVI. ADJOURNMENT

Chairman Barr thanked everyone for their participation in the annual meeting. There being no further business to discuss, it was moved, supported, and carried to adjourn the meeting at 12:10 P.M.

Respectfully submitted,

Sharon Krzywiecki
Recording Secretary

APPROVED